

RENTAL MARKET REPORT

Yellowknife Highlights

Canada Mortgage and Housing Corporation

Date Released: Spring 2009

Highlights

- The average apartment vacancy rate in Yellowknife increased from 0.6 per cent in April 2008 to 2.8 per cent in April 2009.
- The apartment availability rate went up to three per cent this spring from 1.1 per cent last April.
- Average apartment rent for all unit types increased from \$1,278 per month in April 2008 to \$1,359 this spring.

Apartment vacancies increase in 2009

According to the results of Canada Mortgage and Housing Corporation's Spring Rental Market Survey, the vacancy rate for apartment units in Yellowknife rose from 0.6 per cent last April to 2.8 per cent this year. This occurred despite low levels of multi-family housing starts in the past year. The global economic downturn has reduced demand for many commodities that drive the economy of the NWT. The subsequent outmigration and employment losses in the territory have reduced demand for rental housing in Yellowknife.

Out of 2,003 privately-owned rental apartments, CMHC's survey found 57 units vacant and available for rent. This compares with 12 vacant out of 2,004 apartment units in April of last year. Similar to last spring's report, bachelor units reported the highest vacancy rates among all apartments at 3.7 per cent compared with 3.8 per cent in April 2008. However, the

Figure 1

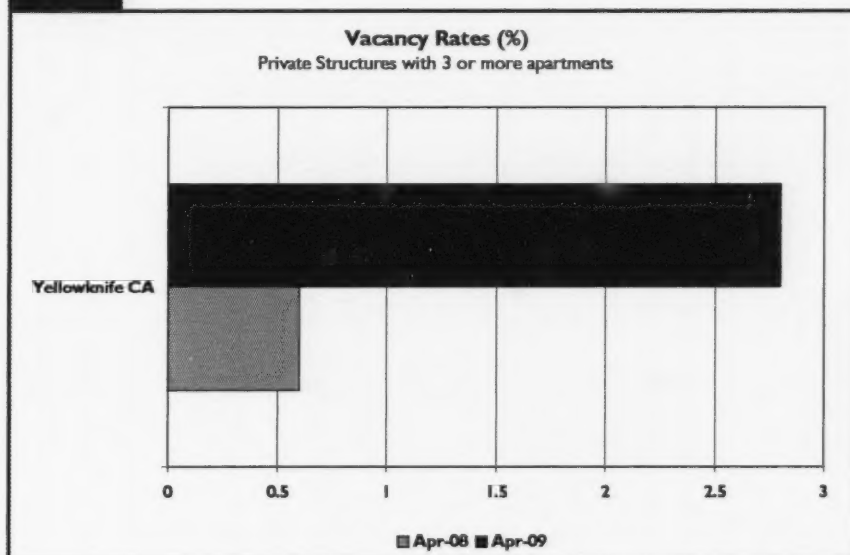
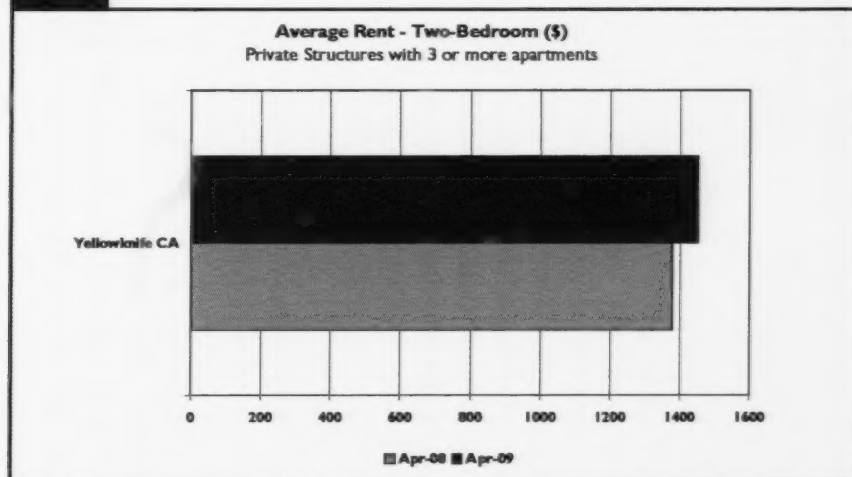


Figure 2



universe of bachelor units is relatively small at 64 units, so this represented only two vacant units. Of 767 one-bedroom apartments in Yellowknife, the survey found 25 vacant this year, producing a vacancy rate of 3.2 per cent compared to the 0.2 per cent vacancy rate recorded in April of last year.

The largest apartments with three or more bedrooms experienced the biggest increase in vacancy rate, from zero vacant last April to 3.4 per cent this spring. However, as shown in Table 1.1.3, the universe for these units is relatively small compared with one- and two-bedroom units. As such, a moderate increase in the number of vacant units will cause a marked change in the vacancy rate.

There were 22 two-bedroom apartments vacant this spring out of 962 in the universe, for a vacancy rate of 2.3 per cent.

CMHC's Rental Market Survey also provides results on the availability of rental units. An apartment is considered available if the unit is vacant, or the existing tenant has given or received official notice to move and a new tenant has not signed a lease. The apartment availability rate increased from 1.1 per cent last spring to three per cent this April. The availability rate was highest in bachelor units (5.6 per cent) and lowest in two-bedroom apartments (2.5 per cent). Readers should note that, as the definition of availability includes vacancy, the availability rate will

always be equal to or greater than the vacancy rate.

Apartment rents increase

Despite a rise in vacancies, apartment rents increased in Yellowknife over the past year. On a same sample basis, the average two-bedroom rent grew by 6.1 per cent between April 2008 and April 2009. Last spring's survey recorded a 2.6 per cent year-over-year increase for two-bedroom units common to the survey sample for both years. The average rent for all two-bedroom apartment units in the survey was \$1,452 in April 2009 compared to \$1,377 in April 2008.

**1.1.1 Private Apartment Vacancy Rates (%)
by Bedroom Type
Yellowknife**

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total											
	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09										
Yellowknife CA	3.8	a	3.7	a	0.2	b	3.2	c	0.9	a	2.3	a	0.0	b	3.4	c	0.6	a	2.8	a

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

** Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

**1.1.2 Private Apartment Average Rents (\$)
by Bedroom Type
Yellowknife**

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09
Yellowknife CA	908	a 969	a 1,134	a 1,223	a 1,377	a 1,452	a 1,482	a 1,577	a 1,278	a 1,359

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

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n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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**1.1.3 Number of Private Apartment Units Vacant and Universe in April 2009
by Bedroom Type
Yellowknife**

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Yellowknife CA	2 a	64	25 c	767	22 a	962	7 c	211	57 a	2,003

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

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n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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**1.1.4 Private Apartment Availability Rates (%)
by Bedroom Type
Yellowknife**

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09
Yellowknife CA	8.2 a	5.6 a	0.7 a	3.2 c	1.2 a	2.5 a	0.5 b	3.4 c	1.1 a	3.0 a

The following letter codes are used to indicate the reliability of the estimates:

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**1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent¹
by Bedroom Type
Yellowknife**

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09
	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09
Yellowknife CA	7.0 a	4.8 a	**	9.3 a	2.6 c	6.1 a	4.4 b	6.1 c	2.7 c	7.2 a

¹The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

** Data suppressed to protect confidentiality or data is not statistically reliable

++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: \$500 in 2008 vs. \$550 in 2009 represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the 2008 and 2009 Spring Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the April 2008 and April 2009 Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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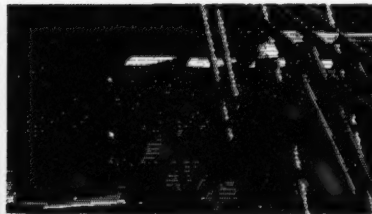
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